GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:2205
ANSWERED ON:29.08.2007
RURAL BUSINESS HUBS
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Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Government has launched Rural Business Hubs (RBHs) Scheme in various parts of the country;

(b) if so, the details thereof and the number of villages and villagers benefited under the scheme in the country particularly in Tamil Nadu and Kerala;

(c) whether the Government proposes to extend the scheme to all parts of the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor;

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a): Yes, Sir. Ministry of Panchayati Raj is actively pursuing the lead role suggested by Hon'ble Prime Minister on taking the benefits of rapid economic development to all parts of the country and all sections of the society through RBH initiative. In June 2004, while addressing the very first Conference of Chief Ministers on the subject "Poverty Alleviation and Rural Prosperity through Panchayati Raj", the Hon'ble Prime Minister had stated that "Panchayat Raj is the medium to transform rural India into 700 million opportunities. The key instrument for integrating economic reforms with institutional reforms in the country side is Gandhiji's farsighted goal of Poorna Swaraj through "Gram Swaraj". In November 2004, the Ministry of Panchayati Raj organized a national presentation on RBH which was attended by 1000 representatives of Panchayats and 200 representatives of Confederation of Indian Industry (CII). Joint RBH Council under the Co-Chairmanship of Minister of Panchayati Raj and the then President of CII was set up at the national level. Similar Councils have been set up in 15 States. The objective of RBH initiative is to promote RBHs across the country by bringing to the attention of business houses, both in the public and private sectors, the unique products or skills in each development block deriving from local resource endowment. In consultation with State Government and Panchayats, the Ministry of Panchayati Raj has identified local resources and skills in more than 1000 development blocks of the country. The Ministry of Panchayati Raj is thus attempting to develop and promote Public-Private- Panchayat Partnership in which the Panchayats will facilitate convergence of extant schemes of State and Central Government, together with initiatives of Panchayats, financial institutions and promotional bodies. This will help develop a holistic and integrated partnership between decentralized rural production units and larger corporate entities. This model is not directly funded by the Ministry of Panchayati Raj. However, under a Central Sector Scheme, limited resources will be available for availing services of professional facilitators and to bridge the critical gaps in infrastructure.

(b): The initiative works on a win-win business relationship between rural producers and members of industry, facilitated by the Panchayats. So far 99 MOUs have been signed across the States of Tamil Nadu (51), Karnataka(27), Uttranchal(11), Rajasthan(4), Haryana(3), Nagaland(2) and Uttar Pradesh(1) in such diverse fields as food processing, power generation and distribution, jatropha plantation, carpet weaving, handicrafts, stone carving, etc. These MOUs are at different stages of implementation.

No MOU has yet been signed in the State of Kerala for setting up RBH.

(c) and (d): The objective of the RBH scheme is to promote at least one RBH in each development block of the country. To identify, develop and refine models for this, a Central Sector Scheme for piloting one RBH in each of the Districts of the country is under way.

(e): Does not arise.